



Associated Beer Distributors of Illinois

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Robert L. Myers  
President

May 29, 2014

Illinois Liquor Control Commission  
Attn: Mr. Richard Haymaker  
100 West Randolph, Suite 7-801  
Chicago, IL 60601

Dear Mr. Haymaker:

Thank you for the opportunity to discuss the Commission's proposed Rules. One proposed Rule in particular gives the Associated Beer Distributors of Illinois (ABDI) concern as it pertains to brew pubs.

Proposed Section 100.440 limits the amount of beer the brew pub may sell to licensed distributors. In the 90<sup>th</sup> General Assembly, House Bill 679 (P.A. 90-432) was signed into law on August 16, 1997. It became effective on January 1, 1998. The delineated portion reflects the changes made by the General Assembly to Section 5-1 (n) of the Liquor Control Act:

(n) A brew pub license shall allow the licensee to manufacture beer only on the premises specified in the license, to make sales of the beer manufactured on the premises to importing distributors, distributors, and to non-licensees for use and consumption, to store the beer upon the premises, and to sell and offer for sale at retail from the licensed premises, provided that a brew pub licensee shall not sell for off-premises consumption more than 50,000 gallons per year.

This change was done at the request of Scott Archer, who at the time owned the Walter Payton Roundhouse in Aurora. He asked for specific language to allow him the opportunity to sell beer "to go" in the form of growlers and six-pack bottles. ABDI specifically asked him how much beer he manufactured at that time. Mr. Archer stated that he manufactured 50,000 gallons. We included that amount in the legislation to allow him to sell that amount for carryout purposes. At no time were we limiting the amount a brew pub could manufacture or sell to a licensed distributor or importing distributor. This agreement was reached by ABDI, Scott Archer, Representative Kay Wojcik (R-Schaumburg), and Anne Treonis (Liquor Control Commission attorney). We think you will agree, once the Commission reads the bill's history and the amendment that was incorporated in the bill, that the added language "from the licensed premises, provided that a brew pub licensee shall not sell for off-premises consumption more than 50,000 gallons per year" applies to the "sale at retail" not to the sale of the beer manufactured to importing distributors, distributors, or the amount the brew pub can manufacture.

Please make the following change to the proposed Section 100.440:

100.440 – Brew Pubs

- a. An applicant for a State of Illinois Brew Pub license shall first obtain:
  - 1) A Brewer's Notice issued by the Tax and Trade Bureau of the US Department of Treasury;
  - 2) A local retail liquor license issued by the appropriate Local Liquor Control Commissioner.
  
- b. A Brew Pub license holder may:
  - 1) Manufacture beer on the Brew Pub licensed premises;
  - 2) Purchase alcoholic liquor from licensed Illinois distributors or other persons holding legal self distribution rights;
  - 3) Annually sell up to 50,000 gallons of its manufactured beer to licensed distributors for off-premise consumption subject to Local Liquor Control Commission approval;
  - 4) Sell its manufactured beer at its licensed location to consumers for consumption on the licensed premises or consumption off the licensed premises subject to Local Liquor Control Commission approval;
  - 5) Simultaneously hold other Brew Pub licenses at multiple locations throughout the State subject to Federal, State and Local approval;
  - 6) Directly transfer beer manufactured at one Brew Pub licensed premises to other Brew Pub licensed premises substantially owned and operated by the same person subject to State approval;
  - 7) Simultaneously hold a Craft Brewer license at a separate physical brewing location subject to Federal and State approval.
  - 8) To make sales of the beer manufactured on the premises to importing distributors and importing distributors.
  
- c. A Brew Pub license holder shall not:
  - 1) Annually sell more than 50,000 gallons of its manufactured beer to licensed distributors for off-premises consumption;
  - 2) Hold a license issued by any licensing authority to manufacture, import or distribute alcoholic liquor other than the licenses related to its brew pub, its other commonly owned Brew Pubs, or any of its commonly owned Craft Brewers.

Sincerely,



Robert L. Myers  
President